

UTAH INSURANCE DEPARTMENT
State Office Building, Room 3110
Salt Lake City, Utah 84114
Cathy Burton, Examiner
Market Conduct Division
Phone: (801) 537-9113

**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH**

UTAH INSURANCE DEPARTMENT, Complainant, vs. DOUG CLAY PEHRSON South Highway 191, P.O. Box 245 Monticello, Utah 84535 License No. 109484 Respondent.	NOTICE OF INFORMAL AGENCY ACTION AND ORDER LICENSE REVOCATION Docket No. 2015-124 BB Enf. Case No. 3684 Judge Mark Kleinfeld Administrative Law Judge
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Pursuant to Utah Code Ann. § § 31A-2-201 and 63G-4-201 and Utah Administrative Code R590-160, the Utah Insurance Department has commenced this informal adjudicative proceeding.

Based upon the information contained in the Department files and known to the Commissioner, the Presiding Officer enters the following findings of fact:

FINDINGS OF FACT

1. Doug Pehrson, Respondent, holds a resident limited line producer individual license with the qualification of bail.
2. Respondent was the past owner of All Area Bail Bonds, whose bail bond license number 353400 was revoked on June 17, 2015.
3. Respondent is not currently designated nor associated to a bail bond agency.

4. On May 13, 2015, All Area Bail Bonds' surety insurer, Crumb and Forster Indemnity Company, terminated, with cause, its affiliation with All Area Bail Bonds.

5. Concerning Utah District Court case number 155100733, bond exonerated on 7/13/15, Respondent failed to forward the required, collected bail bond premium to Crumb and Forster Indemnity Company.

6. Concerning this same case number and exonerated bond, the bail bond balance amount, minus the ten percent premium, was not returned as required, even though numerous attempts were made to contact and recover the bond amount owed from Respondent.

7. Concerning Utah District Court case number 15170043, bond exonerated on 8/11/15, Respondent failed to forward the required, collected bail bond premium to Crumb and Forster Indemnity Company.

8. Concerning the same case number and exonerated bond, the bail bond balance amount, minus the ten percent premium, was not returned, even though numerous attempts were made to contact and recover the bond amount owed from Respondent.

9. Crumb and Forester Indemnity Company reported that multiple bonds had not been reported by Respondent, as required.

10. According to a San Juan Sheriff's report, an alleged victim was attempting to be a co-signer on a bail bond when Respondent went to her home and requested, as part of the collateral, that she give him nude pictures of herself. The alleged victim claims that the bond has been exonerated and yet her repeated attempts to have the Respondent return her collateral returned has proven unsuccessful.

11. On August 31, 2015, the Department sent a letter to Respondent requiring a reply on or before September 14, 2015. Respondent has failed to timely reply or contact the Department.

Based upon the foregoing Findings of Fact, the Presiding Officer enters the following conclusions of law:

CONCLUSIONS OF LAW

1. Respondent violated Utah Code Ann. § 31A-23a-409(1)(a)(d)(i) when he failed to forward collected trust monies to the appropriate payee by the close of the following business day.
2. Respondent violated Utah Code Ann. § 31A-23a-409(6) when he diverted and appropriated a portion of the held trust money.
3. Respondent violated Utah Code Ann. § 31A-23a-411.1 when he failed to forward bail bond premiums to the insurer.
4. Respondent violated Utah Code Ann. § 31A-23a-409(1)(a)(d)(i) and § 31A-35-603(3)(a)(i)(ii) when he failed to return collateral within ten days.
5. Respondent violated Utah Code Ann. § 31A-2-202(4)(a)(b)(i)(ii)(iii) when he failed to respond to an inquiry of the Commissioner.
6. Respondent violated Utah Code Ann. § 31A-2-202(1)(a)(i)(ii)(iii)(iv)(v) when he failed to cooperate with an investigation of the Department.
7. Respondent has failed to meet the character requirements of Utah Code Ann. § 31A-23a-107 when (a) he did not forward the premium to the surety insurer; (b) he did not deposit the trust money into a trust account by the end of the next business day; (c) he did not return collateral within ten days of a bond being exonerated; and he requested inappropriate photographs of a client.
8. Respondent has had multiple violations of these same referenced insurance statutes.

Based on the foregoing Findings of Fact and Conclusions of Law, the Presiding Officer enters the following order:

ORDER

1. Respondent's license is hereby revoked. Respondent is prohibited from conducting any and all bail bond insurance business in the state of Utah.
2. This Order shall become final fifteen (15) days after the date of mailing unless a written request for a hearing is received from the Respondent in the offices of the Department prior to that date. A written request for a hearing shall be signed by the person making the request and shall state the basis for the relief requested.

DATED this 16th day of October, 2015.

TODD E. KISER
Insurance Commissioner

A handwritten signature in blue ink, reading "Mark E. Kleinfeld", is written over a horizontal line.

MARK E. KLEINFELD
Administrative Law Judge
Utah Department of Insurance
State Office Building, Room 3110
Salt Lake City, UT 84114
Telephone (801) 538-3800

NOTIFICATION

If you request a hearing regarding this matter, the Department will be represented by Gary D. Josephson, Assistant Attorney General, 160 East 300 South, 5th Floor, P.O. Box 140874, Salt Lake City, Utah 84114-0874, telephone number (801) 366-0375. Failure to request a hearing will be considered a failure to exhaust administrative remedies and will preclude any further administrative or judicial review or appeal on this matter.

Respondent is hereby notified that failure to abide by the terms of the order may subject him to further penalties, including additional forfeitures of up to \$5,000.00 per violation and the filing of an action to enforce this order in district court, which may impose penalties of up to \$10,000.00 per day for any continued violation.

You are further notified that other jurisdiction in which you may be licensed may require that you report this action to them.


CERTIFICATE OF MAILING

The undersigned hereby certifies that on this date, a true and correct copy of the
EMERGENCY ADMINISTRATIVE ACTION: SUSPENSION OF LICENSE was both
electronically mailed and regularly mailed, postage prepaid, to the following:

**DOUG CLAY PEHRSON
SOUTH HIGHWAY 191
P.O. BOX 245
MONTICELLO, UTAH 84535**

PEHRSONDOUG@YAHOO.COM

Dated this 10th day of October, 2015.



LINDA HARDY
UTAH INSURANCE DEPARTMENT
STATE OFFICE BUILDING, ROOM 3110
SALT LAKE CITY, UT 84114-6901